

# HAT ISLAND TELEPHONE COMPANY

David C. Henny  
President and General Manager

14888 SR 525  
Langley, Washington 98260  
Telephone (360) 444-6878

June 28, 2017

## BY ELECTRONIC COMMENT FILING SYSTEM

Ms. Marlene H. Dortch, Secretary  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> St., SW, Room TW-A325  
Washington, DC 20554

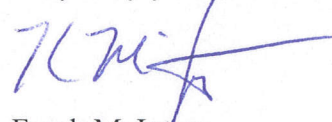
Dear Ms. Dortch:

Re: WC Docket No. 10-90, 11-42 and 14-58 –  
FCC Form 481 due July 1, 2017 –  
Hat Island Telephone Company (Study Area 522417)

Accompanying this letter for filing with the Federal Communications Commission ("Commission") is an electronic copy of the FCC Form 481 correcting the previously copy file on June 27, 2017, and due July 1, 2017, of Hat Island Telephone Company, as filed electronically with the United States Administrative Company pursuant to Sections 54.313 and 54.422 of the Commission's rules, 47 C.F.R. §§ 54.313 and 54.422.

Please let us know if the Commission has any questions regarding the accompanying FCC Form 481.

Very truly yours,



Frank McIntyre  
Secretary/Treasurer

Accompanying document:  
FCC Form 481 (copy)

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code	522417
<015> Study Area Name	HAT ISLAND TEL CO
<020> Program Year	2018
<030> Contact Name: Person USAC should contact with questions about this data	Trish Mason
<035> Contact Telephone Number: Number of the person identified in data line <030>	3603210013 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	trish.mason@whidbeytel.com
Form Type	54.313 and 54.422

(200) Service Outage Reporting (Voice)  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

<210> For the prior calendar year, were there any reportable voice service outages?

No

[illegible]

**(300) Unfulfilled Service Request  
Data Collection Form**FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com
<300>	Unfulfilled service request (voice)	<div>0</div>
<310>	Detail on attempts (voice)	<div>Name of Attached Document</div>
<320>	Unfulfilled service request (broadband)	<div>0</div>
<330>	Detail on attempts (broadband)	<div>Name of Attached Document</div>



(400) Number of Complaints per 1,000 customers  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed voice
<410>	Complaints per 1000 customers for fixed voice	0.0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed broadband
<440>	Complaints per 1000 customers for fixed broadband	0.0
<450>	Complaints per 1000 customers for mobile broadband	

**(500) Compliance With Service Quality Standards and Consumer Protection Rules**  
**Data Collection Form**FCC Form 481  
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<035>	Contact Telephone Number - Number of person identified in data line <030>	3603270013 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
		522417wa510.pdf
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	
<515>	Certify compliance with applicable minimum service standards	

**(600) Functionality in Emergency Situations  
Data Collection Form**FCC Form 481  
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<035>	Contact Telephone Number - Number of person identified in data line <030>	3603210613 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	522417wa610.pdf

<701>	Residential Local Service Charge Effective Date	1/1/2017
<702>	Single State-wide Residential Local Service Charge	

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[illegible]



(800) Operating Companies  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com
<810>	Reporting Carrier	Hat Island Telephone Company
<811>	Holding Company	Whidbey Telephone Company
<812>	Operating Company	Hat Island Telephone Company

[illegible]

(900) Tribal Lands Reporting  
Data Collection FormFCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
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<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com
<900>	Does the filing entity offer tribal land services? (Y/N)	No

&lt;910&gt; Tribal Land(s) on which ETC Serves

&lt;920&gt; Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

**(1000) Voice and Broadband Service Rate Comparability  
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

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<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance 522417wa1010.pdf

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Name of Attached Document

<1020> Broadband comparability certification Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1030> Attach detailed description for broadband comparability compliance 522417wa1030.pdf

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Name of Attached Document

**(1000) Voice and Broadband Service Rate Comparability  
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance 522417wa1010.pdf

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Name of Attached Document

<1020> Broadband comparability certification Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1030> Attach detailed description for broadband comparability compliance 522417wa1030.pdf

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Name of Attached Document

**(1100) No Terrestrial Backhaul Reporting  
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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&lt;1100&gt; Certify whether terrestrial backhaul options exist (Y/N)

&lt;1130&gt; Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).



**(1200) Terms and Condition for Lifeline Customers**  
**Lifeline**  
**Data Collection Form**

FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP <https://www.whidbeytel.com/products-services/voice-services/local-voice-service>

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒



## (2005) Price Cap Carrier Additional Documentation

## Data Collection Form

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

## Incremental Connect America Phase I reporting

<p>&lt;2011&gt; 3rd Year Certification 47 CFR §54.313(b)(1)(ii) - Note that for the July 2017 certification, this applies to Round 2 recipients of Incremental Support.</p> <p>&lt;2022&gt; Recipient certifies, representing year three after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.</p> <p>&lt;2023&gt; The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year three - 54.313(b)(2)(ii). Round 2 recipients only.</p> <p>&lt;2024A&gt; Round 2 Recipient of Incremental Support?</p> <p>&lt;2024B&gt; Attach list of census blocks indicating where funding was spent in year three - 54.313(b)(2)(ii). Round 2 recipients only.</p> <p>&lt;2025A&gt; Round 2 Recipient of Incremental Support?</p> <p>&lt;2025B&gt; Attach geocoded Information for Phase I milestone reports (Round 2 for year three) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13-73, paragraph 35 (May 22, 2013).</p> <p>&lt;2015&gt; 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)</p>	<div style="border: 1px solid black; height: 20px; width: 100px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; height: 20px; width: 100px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; height: 20px; width: 100px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; height: 20px; width: 100px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; height: 20px; width: 100px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; height: 20px; width: 100px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; height: 20px; width: 100px; margin-bottom: 10px;"></div>	<div style="border: 1px solid black; height: 20px; width: 100px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; height: 20px; width: 100px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; height: 20px; width: 100px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; height: 20px; width: 100px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; height: 20px; width: 100px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; height: 20px; width: 100px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; height: 20px; width: 100px; margin-bottom: 10px;"></div>
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**(2005) Price Cap Carrier Additional Documentation****Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

&lt;2016&gt; Certification support used to build broadband

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

&lt;2017A&gt; Connect America Fund Phase II recipient?

&lt;2017C&gt; Total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2016.

&lt;2018&gt; Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(1)(ii)(A)

Name of Attached Document Listing  
Required Information

&lt;2019&gt; Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(1)(ii)(C)

(3005) Rate Of Return Carrier Additional Documentation  
Data Collection FormFCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

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Select from the drop down menu or check the boxes below to note compliance with 54.313(f)(1). Privately held carriers must ensure compliance with the financial reporting requirements set forth in 47 CFR 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009) Progress Report on 5 Year Plan  
Carrier certifies to 54.313(f)(1)(iii)

Yes - Attach Certification

(3010A) Certification of Public Interest Obligations {47 CFR § 54.313(f)(1)(i)}

522417wa3010.pdf

(3010B) Please Provide Attachment

Name of Attached Document Listing Required  
Information

(3012A) Community Anchor Institutions {47 CFR § 54.313(f)(1)(iii)}

No - No New Community Anchors

(3012B) Please Provide Attachment

Name of Attached Document Listing Required  
Information

(3013) Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}

(Yes/No)

☒ ☐

(3014) If yes, does your company file the RUS annual report

(Yes/No)

☐ ☒

Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

☐

(3016) Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows

☐

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required  
Information

(3018) If the response is no on line 3014, is your company audited?

(Yes/No)

☐ ☒

If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

☐

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☐

(3021) Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.

☐

If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

☒

(3023) Underlying information subjected to a review by an independent certified public accountant

☒

(3024) Underlying information subjected to an officer certification.

☒

(3025) Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows

☒

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required  
Information

522417wa3026.pdf

## (3005) Rate Of Return Carrier Additional Documentation (Continued)

FCC Form 481

## Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

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<039> Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

## Financial Data Summary

(3027) Revenue	64693
(3028) Operating Expenses	60700
(3029) Net Income	16197
(3030) Telephone Plant In Service(TPIS)	428516
(3031) Total Assets	325003
(3032) Total Debt	0
(3033) Total Equity	320340
(3034) Dividends	0



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**4005 Rural Broadband Experiment**

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

**Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)**

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

**4001.** Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

**Community Anchor Institutions – FCC 14-98 (paragraph 79)**

**4003a.** RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

**4003b.** Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

Name of Attached Document Listing Required Information \_\_\_\_\_

**Broadband Deployment Locations – FCC 14-98 (paragraph 80)**

**4004a.** Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

Name of Attached Document Listing Required Information \_\_\_\_\_

**4004b.** Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.

Name of Attached Document Listing Required Information \_\_\_\_\_

**Certification - Reporting Carrier  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
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**TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:**

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: HAT ISLAND TEL CO	
Signature of Authorized Officer: CERTIFIED ONLINE	Date 06/28/2017
Printed name of Authorized Officer: Frank McIntyre	
Title or position of Authorized Officer: Secretary/Treasurer	
Telephone number of Authorized Officer: 3603210088 ext.	
Study Area Code of Reporting Carrier: 522417	Filing Due Date for this form: 07/03/2017
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**Certification - Agent / Carrier  
Data Collection Form**

 FCC Form 481  
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**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: ext. _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent Firm: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Name of Authorized Agent Employee: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: ext. _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments

(700) Price Offerings including Voice Rate Data  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	522417
<015>	Study Area Name	HAT ISLAND TEL CO
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Trish Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	3603210013 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

<701> Residential Local Service Charge Effective Date  
<702> Single State-wide Residential Local Service Charge

1/1/2017

<703>

[illegible]



(710) Broadband Price Offerings  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	522417
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<015>	Study Area Name	HAT ISLAND TEL CO
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<020>	Program Year	2018
-------	--------------	------

<030>	Contact Name - Person USAC should contact regarding this data	Trish Mason
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<035>	Contact Telephone Number - Number of person identified in data line <030>	3603210013 ext.
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<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com
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<711>

<a1>	<a2>
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<b1>

<b2>

<C>

<d1>

<d2>

<d3>

10

<d4>

State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rates and Fees	Broadband Service Download Speed (Mbps)	Broadband Service Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached {select}
WA	Hat Island	29.95	0.0	29.95	6.0	1.0	0.0	Other, No limit on usage allowance
WA	Hat Island	34.95	0.0	34.95	6.0	3.0	0.0	Other, No limit on usage allowance
WA	Hat Island	39.95	0.0	39.95	10.0	3.0	0.0	Other, No limit on usage allowance
WA	Hat Island	39.95	0.0	39.95	12.0	1.0	0.0	Other, No limit on usage allowance
WA	Hat Island	44.95	0.0	44.95	12.0	3.0	0.0	Other, No limit on usage allowance
WA	Hat Island	44.95	0.0	44.95	18.0	1.0	0.0	Other, No limit on usage allowance
WA	Hat Island	49.95	0.0	49.95	18.0	3.0	0.0	Other, No limit on usage allowance
WA	Hat Island	49.95	0.0	49.95	20.0	3.0	0.0	Other, No limit on usage allowance
WA	Hat Island	59.95	0.0	59.95	30.0	3.0	0.0	Other, No limit on usage allowance
WA	Hat Island	69.95	0.0	69.95	30.0	10.0	0.0	Other, No limit on usage allowance
WA	Hat Island	79.95	0.0	79.95	50.0	10.0	0.0	Other, No limit on usage allowance
WA	Hat Island	89.95	0.0	89.95	50.0	20.0	0.0	Other, No limit on usage allowance
								.
								,

(800) Operating Companies	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	522417
<015>	Study Area Name	HAT ISLAND TEL CO
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Trish Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	3603210013 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com
<810>	Reporting Carrier	Hat Island Telephone Company
<811>	Holding Company	Whidbey Telephone Company
<812>	Operating Company	Hat Island Telephone Company

[illegible]

**Hat Island Telephone Company  
FCC Form 481 (July, 2017), Line 510  
Description of Processes and Procedures to Ensure  
Compliance with Service Quality Standards and  
Consumer Protection Rules Per Instructions  
For Completing FCC Form 481**

This document details the processes and procedures that Hat Island Telephone Company (the "Company") follows to ensure compliance with service quality standards and consumer protections rules as set forth in the Instructions for Completing FCC Form 481.

For service quality standards that are affected by plant issues, the Company engineers and installs its plant and other facilities in such a way as to ensure, to the greatest extent possible, compliance with service quality standards that exist at the time that the plant and facilities are constructed. Plant is augmented, upgraded and/or reconfigured as needed.

The Company obtains certain functionality and support from its affiliate, Whidbey Telephone, including support related to service quality standards and consumer protection rules. A description of Whidbey Telephone Company's policies and procedures relating to service quality standards and consumer protection rules is set forth in its response to Line 510 of its FCC Form 481 that is being filed contemporaneously herewith. To the extent relevant, that description is incorporated herein by this reference.

The Company also periodically reviews its operating procedures to be sure that those operating procedures are in compliance with service quality standards and are not in violation of consumer protection rules. If questions arise, legal counsel is sought as needed.

If a complaint pertaining to the Company's compliance with service quality standards or consumer protection rules is received by the Company, the complaint is promptly investigated, the matter tracked and any corrective action noted. This process ensures that issues involved in the matter are addressed and corrections made, if needed.

**Hat Island Telephone Company**  
**FCC Form 481 (July, 2017), Line 610**  
**Statement Describing Ability to Function in Emergency Situations**  
**Per Instructions for Completing FCC Form 481**

**SUMMARY**

Hat Island Telephone Company (the "Company") has a long-standing tradition of providing reliable voice telephony services. It is the Company's policy and standard operating procedure to bury all of its local distribution cable and wire. The Company operates a primary local distribution and transmission node that is equipped with back-up power generation. In regard to the Company's overall network design, the Company's practices are consistent with Rural Utility Service ("RUS") telecommunications industry best practices.

The Company obtains certain functionality and support from its affiliate, Whidbey Telephone Company. Together, they operate and maintain transport transmission equipment that serves the Company's service area and that is of the highest grade. Equipment specifications, which are consistent with the RUS specifications, require both redundant power and redundant circuit interfaces. All of the Company's transport equipment, as well as the transport and switching equipment that serves the Company's service area and is operated by Whidbey Telephone Company, is monitored 7x24x365(366) by trained staff located at Whidbey Telephone Company's network operations center.

**NETWORK REDUNDANCY**

The Company is a provider of voice telephony services to the Hat Island Exchange. The service area of the Company's Hat Island Exchange comprises less than one (1) square mile. It is connected by submarine cable to a neighboring exchange operated by Whidbey Telephone Company, which provides local distribution connectivity, switching and transmission utilizing its facilities. A description of those facilities and of Whidbey Telephone Company's policies and procedures relating to its ability to function in emergency situations is set forth in its response to Line 610 of its FCC Form 481 that is being filed contemporaneously herewith. To the extent relevant, that description is incorporated herein by this reference.

**BACK-UP POWER**

The Company maintains at its principal local distribution and transmission node a power plant with batteries capable of carrying the power load for a number of hours with the load typically transitioning more immediately to a generator back-up power generation. In addition, the Company has installed back-up power generation at that node, utilizing an 8kw generator, together with a dedicated fuel tank onsite designed to carry the power load multiple days. The site is equipped with an automatic transfer switch and has monitoring equipment that provides monitoring visibility with respect to loss of external commercial power and transfer switch status. Upon recognition of loss of the commercial power source, the automatic transfer switch is designed to automatically start the back-up generator and transfer the selected power source.

Alarm messages are automatically reported to key personnel, as well as to Whidbey Telephone Company's 7x24x365(366) network operations center.

Whidbey Telephone Company has in-house staff available to support the Company's operations and trained to perform all maintenance of the power plant, as well as third-party services available for support.

**FCC FORM 481 (July 2017), Line 1010**  
**Descriptive Document for Compliance of Pricing of**  
**Fixed Voice Services with Required Relationship**  
**To Applicable National Average Urban Rate for Voice**  
**Service Benchmark, as required by 47 C.F.R. § 54.313(a)(10)**  
**Per Instructions for Completing FCC Form 481**

Section 54.313(a)(10) of the rules of the Federal Communications Commission ("FCC") requires any recipient of high-cost support, such as Hat Island Telephone Company ("Company"), annually to certify that the pricing of the Company's voice services is no more than two standard deviations above the applicable national average urban rate for voice service, as specified in the most recent public notice issued by the Wireline Competition Bureau and Wireless Telecommunications Bureau.

The most recent such notice issued by the Wireline Competition Bureau is Public Notice DA 17-167, released February 14, 2017, in WC Docket No. 10-90 ("Public Notice"). That public notice includes the following statements, "Based on the survey results, the 2016 rate floor for voice services is \$22.49, [footnote omitted] and the reasonable comparability benchmark for voice services is \$49.51. [footnote omitted] . . . . In addition, each ETC, including competitive ETCs providing fixed voice services, [footnote omitted] must certify in the FCC Form 481 filed no later than July 1, 2017, that the pricing for its *basic residential voice* services is no more than \$49.51. [footnote omitted]" [Italics added.]

It is the Company's understanding that the above-mentioned comparability benchmark includes the recurring residential service rate, any applicable State subscriber line charge rate, any applicable State universal service fund rate, any applicable minimum mandatory Extended Area Service rate, and any applicable Federal subscriber line charge rate.<sup>1</sup>

Those components for the Company's basic residential voice telephony service as of June 1, 2017, are as follows:

Recurring residential service rate	\$ 18.00
State subscriber line charge rate	0.00
State universal service fund rate	0.00
Minimum mandatory EAS rate	0.00
Federal subscriber line charge	<u>6.50</u>
Total	\$ 24.50

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<sup>1</sup> See Note 5 on the "Data Dictionary" tab of 2016 Results [2016 URS Voice Data.xlsx] located from the FCC webpage having the following URL:

<https://www.fcc.gov/general/urban-rate-survey-data-resources>

The sum of the above-identified rates (\$24.50) is not more than the voice service comparability benchmark identified in the Public Notice (\$49.51).



**FCC FORM 481 (July 2017), Line 1030**  
**Descriptive Document for Compliance of Pricing of**  
**Broadband Services with Required Relationship**  
**To Applicable National Average Urban Rate for Broadband**  
**Service Benchmark, as required by 47 C.F.R. § 54.313(a)(12)**  
**Per Instructions for Completing FCC Form 481**

Section 54.313(a)(12) of the rules of the Federal Communications Commission ("FCC") requires any recipient of high-cost support, such as Hat Island Telephone Company ("Company"), annually to certify that the pricing of a service that meets the Commission's broadband public interest obligations is no more than the applicable benchmark to be announced annually in a public notice issued by the Wireline Competition Bureau, or is no more than the non-promotional price charged for a comparable fixed wireline service in urban areas in the states or U.S. Territories where the eligible telecommunications carrier receives support.

The most recent such notice issued by the Wireline Competition Bureau is Public Notice DA 17-167, released February 14, 2017, in WC Docket No. 10-90 ("Public Notice"). That public notice includes the following: "Under the approach adopted by the Bureau in 2014, the reasonable comparability broadband benchmark varies, depending upon the supported service's download and upload bandwidths and usage allowance. [footnote omitted]"

The Public Notice includes a table showing the "benchmark" rate for certain broadband service offerings and provides a URL link to an FCC webpage at which a tool to calculate "benchmarks" for other broadband service offerings may be found. The following table summarizes the broadband service plans offered to consumers by the Company's broadband-providing affiliate and the associated "benchmark," as determined from the Public Notice or the "tool" to which it refers:

Download Speed (Mbps) (up to)	Upload Speed (Mbps) (up to)	Usage Allowance (GB)	Benchmark	Company Affiliate Pricing
10	3	Unlimited	\$78.47	\$39.95
20	3	Unlimited	\$87.60	\$49.95
30	3	Unlimited	\$92.93	\$59.95
30	10	Unlimited	\$93.49	\$69.95
50	10	Unlimited	\$100.20	\$79.95
50	20	Unlimited	\$100.52	\$89.95

As shown in the above table, each of the broadband service plans offered to consumers by the Company's affiliate, for which "benchmark" rates are available, is offered at a price that is below the applicable "benchmark."

# HAT ISLAND TELEPHONE COMPANY

David C. Henny  
President and General Manager

14888 SR 525  
Langley, Washington 98260  
Telephone (360) 444-6878

June 28, 2017

Ms. Marlene H. Dortch, Secretary  
Federal Communication Commission  
Office of the Secretary  
455 12<sup>th</sup> Street, SW  
Washington, DC 20554

RE: WC Docket No. 10-90 and 14-58 –  
Annual Report Due July 1, 2015, FCC Form 481 for  
Rate of Return Carriers Receiving High-Cost Support –  
47 C.F.R. § 54.313(f)(1)(i) "Public Interest Certification"

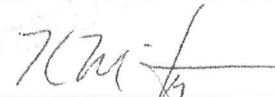
Dear Ms. Dortch:

In compliance with the filing requirements associated with FCC Form 481 due July 1, 2017, and in compliance with Section 53.313(f)(1)(i) of the Commission's rules, Hat Island Telephone Company (Study Area 522417) hereby certifies that it has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 10 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas, and that requests for such service were met within a reasonable amount of time.

Sincerely,

HAT ISLAND TELEPHONE COMPANY

By



Frank McIntyre  
Controller



JOHNSON  
STONE &  
PAGANO, P.S.  
CERTIFIED PUBLIC ACCOUNTANTS

1501 Regents Blvd., Suite 100

Firecrest, WA 98166-6060

### Independent Accountant's Review Report

Board of Directors  
Hat Island Telephone Company  
Langley, Washington

We have reviewed the accompanying financial statements of Hat Island Telephone Company (an S Corporation) (the "Company"), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of income, stockholder's equity and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

#### *Accountant's Responsibility*

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

#### *Accountant's Conclusion*

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Johnson, Stone & Pagano, P.S.*

JOHNSON, STONE & PAGANO, P.S.

March 3, 2017

<010> Study Area Code  
 <015> Study Area Name  
 <020> Program Year  
 <030> Contact Name - Person USAC should contact regarding this data  
 <035> Contact Telephone Number - Number of person identified in data line <030>  
 <039> Contact Telephone Email Address - Email Address of person identified in data line <030>

- ☒ Files as reviewed single company  
☐ Filed as reviewed consolidated company  
☐ Filed as subsidiary of reviewed consolidated company

<010> 522417  
 <015> Hat Island Telephone Company  
 <020> 2018  
 <030> Trish Mason  
 <035> 360-321-0013  
 <039> trish.mason@whidbeytel.com

- ☐ Filed as audited single company  
☐ Filed as audited consolidated company  
☐ Filed as subsidiary of audited consolidated company

## CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

Signature

Date

## PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents	20537	24363	25. Accounts Payable	1275	475
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments	1385	1467
a. Telecom, Accounts Receivable	2344	1353	28. Customer Deposits		
b. Other Accounts Receivable	169593	195256	29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued	2708	2721
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	5368	4663
6. Material-Regulated			<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments		190	37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	192474	221162	39. Funded Debt-Other		
			40. Funded Debt-Rural Develop. Loan		
<b>NONCURRENT ASSETS</b>			41. Premium (Discount) on L/T Debt		
11. Investment in Affiliated Companies			42. Reacquired Debt		
a. Rural Development			43. Obligations Under Capital Lease		
b. Nonrural Development			44. Adv. From Affiliated Companies		
12. Other Investments			45. Other Long-Term Debt		
a. Rural Development			46. Total Long-Term Debt (36 thru 45)	0	0
b. Nonrural Development			<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
13. Nonregulated Investments			47. Other Long-Term Liabilities		
14. Other Noncurrent Assets			48. Other Deferred Credits		
15. Deferred Charges			49. Other Jurisdictional Differences		
16. Jurisdictional Differences			50. Total Other Liabilities and Deferred Credits (47 thru 49)	0	0
17. Total Noncurrent Assets (11 thru 16)	0	0	<b>EQUITY</b>		
			51. Cap. Stock Outstanding & Subscribed	4000	4000
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			52. Additional Paid-in-Capital		
18. Telecom, Plant-in-Service	428516	428516	53. Treasury Stock		
19. Property Held for Future Use			54. Membership and Cap. Certificates		
20. Plant Under Construction			55. Other Capital		
21. Plant Adj., Nonop. Plant & Goodwill			56. Patronage Capital Credits		
22. Less Accumulated Depreciation	-311480	-324675	57. Retained Earnings or Margins	300142	316340
23. Net Plant (18 thru 21 less 22)	117036	103841	58. Total Equity (51 thru 57)	304142	320340
24. TOTAL ASSETS (10+17+23)	309510	325003	59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	309510	325003

<010> Study Area Code  
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<010> 522417  
<015> Hat Island Telephone Company  
<020> 2018  
<030> Trish Mason  
<035> 360-321-0013  
<039> trish.mason@whidbeytel.com

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS		
ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	19765	20327
2. Network Access Services Revenues	29612	40923
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues	1329	2184
5. Miscellaneous Revenues	1405	1259
6. Uncollectible Revenues	0	
7. Net Operating Revenues (1 thru 5 less 6)	52111	64693
8. Plant Specific Operations Expense	15392	15316
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	0	0
10. Depreciation Expense	13080	13195
11. Amortization Expense		
12. Customer Operations Expense	6017	6143
13. Corporate Operations Expense	22704	26046
14. Total Operating Expenses (8 thru 13)	57193	60700
15. Operating Income or Margins (7 less 14)	-5082	3993
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes	2319	2402
20. Total Operating Taxes (17+18+19)	2319	2402
21. Net Operating Income or Margins (15+16-20)	-7401	1591
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)	0	0
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	13815	14606
31. Total Net Income or Margins (21+27+28+29+30-26)	6414	16197
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	293729	300143
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins end-of-Period [(31+33+34)-(35+36+37+38)]	300143	316340
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)	0	0
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11)/7]	0.89	0.77
46. Operating Accrual Ratio [(14+20+26)/7]	1.14	0.98
47. TIER [(31+26)/26]	0.00	0.00
48. DSCR [(31+26+10+11)/44]	0.00	0.00

<010> Study Area Code  
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<010> 522417  
<015> Hat Island Telephone Company  
<020> 2018  
<030> Trish Mason  
<035> 360-321-0013  
<039> trish.mason@whidbeytel.com

PART C. STATEMENTS OF CASH FLOWS		
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		20537
CASH FLOWS FROM OPERATING ACTIVITIES		
2. Net Income		16197
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
3. Add: Depreciation		13195
4. Add: Amortization		
5. Other (Explain)	Due From Affiliated Company	-25663
Changes in Operating Assets and Liabilities		
6. Decrease/(Increase) in Accounts Receivable		991
7. Decrease/(Increase) in Materials and Inventory		
8. Decrease/(Increase) in Prepayments and Deferred Charges		-190
9. Decrease/(Increase) in Other Current Assets		
10. Increase/(Decrease) in Accounts Payable		-800
11. Increase/(Decrease) in Advance Billings & Payments		82
12. Increase/(Decrease) in Other Current Liabilities		14
13. Net Cash Provided/(Used) by Operations		3826
CASH FLOWS FROM FINANCING ACTIVITIES		
14. Decrease/(Increase) in Notes Receivable		
15. Increase/(Decrease) in Notes Payable		
16. Increase/(Decrease) in Customer Deposits		
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		
20. Less: Payment of Dividends		
21. Less: Patronage Capital Credits Retired		
22. Other (Explain)		
23. Net Cash Provided/(Used) by Financing Activities		0
CASH FLOWS FROM INVESTING ACTIVITIES		
24. Net Capital Expenditures (Property, Plant & Equipment)		
25. Other Long-Term Investments		
26. Other Noncurrent Assets & Jurisdictional Differences		
27. Other (Explain)		
28. Net Cash Provided/(Used) by Investing Activities		0
29. Net Increase/(Decrease) in Cash		3826
30. Ending Cash		24363